

Credit River Township Meeting Minutes September 2, 2008

Call to Order

Chairman Leroy Schommer called the meeting to order with the Pledge of Allegiance at 6:00 pm.

Members Present:

Chairman Leroy Schommer, Vice Chairman Bruce Nilsen, Supervisor Brent Lawrence, Supervisor Al Aspengren, and Supervisor Tom Kraft.

Others Present:

Township Clerk Jerry Maas, Township Treasurer Holly Batton, Township Engineer Shane Nelson, Ken Beck, representing Hakanson & Anderson, our Township Engineer, Township Attorney Bob Ruppe

Old Business

1) Littering Ordinance

Attorney Bob Ruppe presented updated copies of this proposed ordinance with changes to the fee structure as requested at the last meeting. He also noted that he had forwarded copies on to the County Attorney for review.

Clerk Maas was asked to send copies on to the Sheriff for similar review and comment and Attorney Ruppe indicated he had also sent copies to the District Court for to comment on the fee structure.

2) Fiscal Impact Proposal

Treasurer Batton presented copies of the 2 proposals that we have received from Ehlers & Associates and Springstad and Associates to prepare cost analysis comparing the cost impact of Credit River pursuing incorporation versus entering into an orderly annexation agreement with the City of Savage or as an alternative doing nothing at this time,

The Board will review these and be prepared to possibly award this project to one of the consulting firms at the next meeting.

3) Status of Huntington Way Road Improvement Project

Engineer Shane Nelson reported that he is waiting for a signed contract to be returned from the contractor, Tri-County Aggregates. Otherwise, the project is ready to go.

4) Five Year Capital Improvement and Maintenance Plan

Chairman Schommer noted that he felt this topic ought to be reviewed before we reconvene the annual meeting and invited Engineer Nelson to proceed with his presentation.

Engineer Nelson noted that the Township maintains 62 miles of road, 10 of which are gravel and 52 of which are considered paved.

In 2005 the Township compiled an inventory of all roads and rated each as to condition. This current CIP Maintenance and Road Improvement Plan has been prepared to give attention to those roads that are now in need of repair as outlined in the Road Inventory.

Engineer Nelson noted that all bituminous roads eventually crack and it then becomes necessary to fill these to keep the sub-grade intact. This process is known as crack filling or crack sealing. Each road should be reviewed every 3 years to see if crack filling is required.

He also pointed out that the roadway surface needs to be monitored on a continuing basis. Over time, the paved surface has a tendency to deteriorate due to ultraviolet rays, causing the road to lose strength. In this case, a seal coating process is performed. Each road should be evaluated for this process every 5 – 7 years.

Two other processes that are often necessary are termed “overlay” and “patching”. The patching process is used in situations where the repairs are required to portions of a road in an isolated area. An overlay is required if the area becomes too large.

In other cases an entire re-construct process might be necessary

In reviewing the Township needs, it was estimated that the actual total requirement for the next five years for road improvements and maintenance would be approximately \$6 million dollars.

The township has historically paid 100 percent of the annual maintenance costs and contributed 20 to 30 percent of the road overlay and reconstruction costs for major repairs, assessing the balance to the individual property owners on those roads requiring this level of repair.

Several residents have asked the Township to review the impact on the Town finances if the entire costs of these major projects were born by the taxpayers in general. Engineer Nelson presented some numbers that made these comparisons, noting that there would be a significant change in the annual taxes paid by all of the residents.

Chairman Schommer emphasized that this was a projection and some of it might not be required since the roads might not in fact require this level of repair in the next 5 years. He also wanted to remind everyone that the road standards have changed significantly in recent years resulting in increased costs.

Resident Ron Borglund, of Murphy Lake Blvd. noted that he has followed the history of the past road improvements and the assessment process and is wondering why there is a change in thinking at this time. He pointed out that the potential increase in taxes would pose quite a burden on all of the taxpayers in the Township. He sees no reason to change now and cautioned the Board to think seriously before making this decision. He also pointed out that it is his understanding that most governmental units use the traditional assessment process.

Chairman Schommer noted that this issue has arisen because some of the roads are now approaching 30 years in terms of service and in need of extensive repair. Some residents are of the opinion that they don't feel they should be required to pay for the road a second time.

Mr. Borglund noted that he is of the opinion that “no road will last forever”.

Dave Beehler, resident of Towering Oaks Curve, noted that the differences in the terms “benefit” and “use” must be considered. He noted that “use” of a road should be considered to be public and that the “benefit” needs to be considered in terms of “increased value” to the property owner. Going from gravel to tar is certainly an obvious “benefit” and should be an increase in value. But when a road is simply restored, even to increased standards, it should not be viewed as increasing the value of the property. It was his position that the repair is more related to the “public use” of the road and therefore not assessable.

Mr. Beehler cautioned the Board to be careful in considering the term “benefit” on these assessment projects.

Bill Jennings, resident of Huntington way, stated that he would be very happy to pay the assessment for the improvement proposed for his road, but would be very unhappy if in a few years, the Township changed its policy and then asked him to pay for all repairs in addition to the assessment on his road that will be incurred at this time. Mr. Jennings wished that a guarantee from the Board be forthcoming that it will maintain the assessment system for the next 40 years

Supervisor Nilsen noted that when this road project was first proposed, he had suggested at that time that the Township could potentially look for a way to phase in a new funding system or figure a way to compensate those who were recently assessed for a road project noting that this might be difficult to do from a legal standpoint.

Supervisor Aspengren noted that while we have always levied for taxes, the Board might in fact be open to increasing the rate the Township contributes for road improvement projects.

Resident Greg Brown cautioned the Board against setting a fixed amount for the road improvement projects in view of uncertainties that may arise.

5) Discuss Total Cost of Judicial Road Overlay Project / Determine Date for Assessment Hearing

Engineer Shane Nelson noted that since the Judicial Road project is complete that we now have to send out notices for an assessment hearing and that these notices must include final assessment amounts. He presented an analysis showing various amounts of the assessments depending on what percentage the Town Board chooses to contribute to the project.

It was proposed that those with a direct access be charged a full assessment amount while those without a direct access be charged a partial amount.

The interest rate assumed for the analysis is 6% and payback period is proposed to be 10 years.

Supervisor Lawrence noted that the appraisal we have received indicates an increase in value for a direct access to be roughly \$2000 to \$3000, while a partial access is determined to be worth \$1000 to \$2000. He personally doesn't agree that there is necessarily any increase in value as a result of this improvement.

Attorney Ruppe pointed out that there are two components to be considered. One is benefit of the individual home and secondly the benefit to the overall view of that road.

It was noted that a traffic study done on Judicial Road indicated that the road carried 40 percent non-residential traffic.

Supervisor Kraft expressed a concern that if we decide to contribute more than 30%, the budget to be presented later this evening won't be accurate and may have to be redone.

Clerk Jerry Maas noted that Judicial Road is somewhat unique in that it can be viewed as a collector road and therefore be entitled to a larger contribution without setting a precedent for the other projects being considered at this time.

Supervisor Nilsen made a motion that the Township contribute 30% of the total cost to the Township for this project and that a full assessment be \$2794 and a 1/4 assessment be \$698.65 contingent on advice of Bond Counsel.

Engineer Nelson also noted that non-residential uses would be assessed 2 full assessments.

Chairman Schommer offered a second, and the motion passed 3 -1 (Kraft voted no, Aspengren abstained)

The Board set September 24th at 7:00 pm at the Town Hall for a formal Assessment Hearing.

Attorney Ruppe noted that if the assessment is lowered at the meeting, notice would have to be sent out.

Resident David Beehler noted that he wasn't sure that Mr. Aspengren's abstention is warranted because Mr. Aspengren's participation may not be in reality a conflict. His argument is that since Mr. Aspengren is a part of the assessment itself, the others might be construed as conflicted also since it could be argued that there really is not a benefit to the property owners.

Sheriff's Report

It was noted that the Sheriff's Deputy dropped off the monthly report at this time.

The regular meeting was recessed at this time in favor of re-convening the Annual Meeting.

Note:

(These minutes are appended to the March 11th Annual Meeting Minutes yet to be approved).

Minutes of Previous Meeting

Chairman Schommer called the regular meeting back to order and asked Clerk Maas to summarize the minutes of the August 18th meeting and upon completion asked if there were any corrections?

Supervisor Nilsen requested a change on page 3 with regard to his comment on potential annexation by Savage and wanted the wording to be changed to reflect his concerns for the residents 20 to 30 years in the future.

Treasurer Batton noted a correction on page 8 that she had also noted that Laurent was also negative on its escrow account and that she did not make the statement with regard to Mr. Loehr requesting a meeting with the Board. Supervisor Aspengren noted that he was the one who made that statement.

Supervisor Nilsen made a motion to accept the minutes as read with the corrections. Supervisor Lawrence offered a second, all in favor, motion carried 5 – 0

Clerk Jerry Maas noted that working with the recorded version of the meeting minutes is helpful, but he is unable to control the playback as to fast forward or reverse. That if we are to continue this will have to be addressed.

Resident Open Forum

Chairman Leroy Schommer called for anyone who would like to bring something to the attention of the Board that is not on the agenda to come forward at this time. He further requested that anyone wishing to comment step to the podium to state his or her thoughts.

- 1) Resident Duane Sebens of the Creekwood neighborhood noted that it is becoming increasingly difficult to proceed through the intersection of County Road 27 and County Road 44 at certain times of the day and he is asking that a three way stop sign be placed at this intersection.

Chairman Schommer noting that the Board was aware of this and asked that Clerk Jerry Maas write a letter to the County since these are county roads.

John Mesenbrink – Discuss Lot fees for Stoneridge Projects

Mr. Mesenbrink appeared to request a refund of the lot fees he paid for the Stoneridge 2nd Addition project

Mr. Mesenbrink noted that when he developed the first addition of the Stoneridge project, it was discovered that the proper zoning was not in place largely as a result of a study of the Vermillion Watershed that was not completed. The county agreed to correct the zoning upon receipt of the completed Vermillion study on the condition that Mr. Mesenbrink re-align France Blvd. To assist with the funding, he was to receive a credit for the lot fees for the total development. He received his credit for the First Addition, but the county took five years to modify the zoning. When it was finally completed and he was able to develop the Second Addition, the credit for the lot fees was not specified in the Developers Agreement. He feels this was in error and would like to request a refund of \$5000 for the lot fees for the 5 lots in the second addition that he has since paid.

Mr. Mesenbrink noted that an easement approved should probably be returned to the lots in an effort to help with the septic sites.

Supervisor Aspengren made a motion to refund Mr. Mesenbrink the sum of \$5000 for overpayment of lot fees for 5 lots in the Stoneridge 2nd addition. Supervisor Lawrence offered a second, all in favor, motion passed 5 – 0.

At this time, Chairman Schommer asked if the presence of the Township Engineer and Attorney was required for any of the items yet to be discussed, otherwise they would be free to leave.

Attorney Ruppe noted that he had a couple of issues that he wished to present before leaving

Scott County Road 75

Attorney Ruppe passed out copies of a proposed agreement between Credit River Township and Scott County for the eventual turn-back of the road to the Township. He asked that the supervisors review this and that we schedule it for discussion at the next meeting on September 15th.

Open Meeting Law

Attorney Ruppe stated that in recent conversations with other town attorneys, it was noted there have been a number of cases where violations of the Open Meeting Law have been brought forward against township officers.

He noted that discussions amongst several supervisors outside meetings could become an issue and he cautioned the supervisors to be cognizant of the requirements of the open meeting law.

In response to a question by Supervisor Aspengren regarding emails, Attorney Ruppe cautioned against improper use of these also.

Attorney Ruppe and Engineer Nelson left the meeting at this time.

Treasurer's Report

1) Review Financial Report for 2007

Treasurer Batton presented the Audited Financial Report for 2007 along with the corresponding management letters we have now received from our auditors. She asked if anyone had specific questions relative to these documents.

She noted that we had corrected some of the noted deficiencies previously mentioned in previous years but two deficiencies remain that are somewhat outside of our control, specifically one related to the segregation of duties that is difficult to address because of the limited staff inherent in typical township organizations and secondly, the fact that she as treasurer does not have the capability to develop a complete financial statement independent of the auditor.

Supervisor Lawrence noted a mistake regarding the Park Fund on page 12 with regard to the use of these funds. Treasurer Batton concurred and will contact the auditor to correct.

Supervisor Lawrence also asked about the statement that appears to restrict use of this document to the Board and staff and inquired if this document is in fact considered public information that could be used on the websites? Treasurer Batton did not think it would be an issue and indicated she would verify with the auditors.

Chairman Schommer asked that Treasurer Batton provide a list of the transfers to the Road and Bridge fund that the auditor suggested.

2) Negative Escrow Status

Treasurer Batton presented the Escrow Account Status noting that there has been no response from Laurent Development regarding the Territory project.

Chairman Schommer asked Treasurer Batton to contact Tradition Development regarding this fund.

3) Distribution of the Draft Meeting Minutes

Treasurer Batton noted that she had not received a copy of the Draft Meeting minutes of the last meeting at the same time the Supervisors were given copies and as an elected official feels entitled to get a copy.

Clerk Maas stated that he sent out a very preliminary copy of last month's minutes to the supervisors exclusively for the purpose of assisting them in developing the next agenda. They were not sent to the staff in general since they were not complete and changes and/or comments were not being solicited. As soon as the final Draft Minutes were available, they in fact were sent to the entire Board plus the entire staff, including Treasurer Batton along with an explanation.

Chairman Schommer asked that in the future all elected staff receive copies at the same time.

Clerk's Report

1) Election Planning

Clerk Jerry Maas noted that the County had recently provided training for candidates for the position and that he will now be arranging for these to work at both the Primary Election scheduled for September 9th and the General Election set for November 4th.

Clerk Maas reminded the Board that they had agreed to take over the administration of his previous website address and reimburse him for this and it seems that no attention has been given to this issue.

Supervisor Lawrence asked Clerk Maas to get the information as to the host and present this to him so that it may be re-directed to the new website.

New Business

1) Update on Discussions with Spring Lake on Fire Contract.

Supervisor Aspengren noted that he and Supervisor Lawrence along with Treasurer Batton met with the Prior Lake Finance Director to review the current contract. He also noted that they met with Spring Lake Township officials to review the contract and it was decided to arrange a meeting with the Mayor of Prior Lake with a view to setting up a council to oversee the Fire Department and allow the Townships some input.

He also noted that Treasurer Batton had contacted the City of Lakeville and they have expressed an interest in providing services in some manner.

2) Update on Supervisor Pay Guidelines

Supervisor Aspengren reviewed the document that he had presented at the last meeting with the suggested guidelines principally defining which meetings were to be considered reimbursable.

3) Policy on Supervisors Accepting New Assignments

Supervisor Nilsen noted that he wanted to be sure the new supervisors took advantage of the experience those supervisors who had served on the Board for some time when it comes to accepting or participating in new assignments.

4) Status of Townships Efforts to Collect Email Addresses

Supervisor Lawrence noted that there is now a link on the website that offers residents an opportunity to sign up for information via email

5) Report on Tour of Pearson Gravel Pit

Supervisor Lawrence noted that he and Supervisor Aspengren had recently had the opportunity to tour the Pearson Gravel mine.

6) Transfer of Funds

Treasurer Batton requested permission to transfer \$90,000.00 dollars from the savings account to the checking account. Supervisor Bruce Nilsen made a motion to approve this transfer. Supervisor Tom Kraft offered a second, all in favor, motion carried 5 – 0.

Review and Pay Bills

The Town Board approved the following claims for payment:

8/20/2008	4556	SW Suburban Publishing	July Legal Publishing- Prior Lake	\$	539.01
8/20/2008	4557	ECM Publishing	July Legal Advertising-Lakeville	\$	623.00
8/20/2008		Anchor Bank	Bank Charges	\$	8.40
9/2/2008	4558	Safety Signs	Street Signs	\$	110.00
9/2/2008	4559	Void		\$	-
9/2/2008	4560	Void		\$	-
9/2/2008	4561	Enviro Care Services	Town Hall Cleaning	\$	61.77

9/2/2008	4562	Scott County Treasurer	No Parking Signs	\$	66.40
9/2/2008	4563	Kraemer Mining & Materials	Rock Purchase	\$	333.86
9/2/2008	4564	CenterPoint Energy	Town Hall Gas	\$	10.12
9/2/2008	4565	Scott Soil & Water Cons District	July Sediment & Erosion Inspections	\$	224.00
9/2/2008	4566	Xcel Energy	St Francis Street Sign	\$	12.37
9/2/2008	4567	Reed Business Information	Road Bid Advertising	\$	177.84
9/2/2008	4568	New Market Bank	Loan Payoff	\$	80,225.05
9/2/2008	4569	Scott County Treasurer	Mowing	\$	1,134.71
9/2/2008	4570	Jacques Whitford EcoCheck	July CSTS O and M	\$	8,220.29
9/2/2008	4571	Bohnsack & Hennen Excavating	Road Repairs	\$	2,260.49
9/2/2008	4572	Al Aspengren	Expense Reimbursement	\$	110.57
9/2/2008	4573	Holly Batton	Expense Reimbursement	\$	180.11
9/2/2008	4574	Brent Lawrence	Expense Reimbursement	\$	22.82
9/2/2008	4575	Jerry Maas	Expense Reimbursement	\$	7.58
9/2/2008	4576	Tom Kraft	Expense Reimbursement	\$	24.57
9/2/2008	4577	Leroy Schommer	Expense Reimbursement	\$	46.80
9/2/2008	4578	Al Aspengren	Services as Supervisor	\$	1,048.17
9/2/2008	4579	Holly Batton	Services as Treasurer	\$	2,589.80
9/2/2008	4580	Tom Kraft	Services as Supervisor	\$	826.53
9/2/2008	4581	Brent Lawrence	Services as Supervisor	\$	863.47
9/2/2008	4582	Jerry Maas	Services as Clerk	\$	2,611.89
9/2/2008	4583	Leroy Schommer	Services as Supervisor	\$	974.29
9/2/2008	4584	Bruce Nilsen	Services as Supervisor	\$	771.12
9/2/2008	4585	Bruce Nilsen	Expense Reimbursement	\$	19.89

Adjourn

There being no further business before the Town Board, Supervisor Nilsen made a motion to adjourn, Supervisor Lawrence offered a second, all in favor, motion carried 5 - 0. The meeting adjourned at 11:18 pm.

Submitted By: (s/) Jerald R. Maas
Township Clerk
Credit River Township

Approved By: (s/) Leroy Schommer
Chairman Board of Supervisors
Credit River Township